

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re

ONH AFC CS INVESTORS LLC, *et al*,

Debtors.¹

Chapter 11 (Subchapter V)

Case No. 23-10931 (CTG)

(Jointly Administered)

Obj Deadline: November 2, 2023 at 4:00 p.m. (ET)

Hearing Date: Only if objections are filed

**SUMMARY OF THIRD MONTHLY FEE APPLICATION OF BAKER & HOSTETLER
LLP, COUNSEL FOR THE DEBTORS, FOR ALLOWANCE OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES
FOR THE PERIOD OF SEPTEMBER 1, 2023 THROUGH SEPTEMBER 30, 2023**

Name of Applicant:	<u>Baker & Hostetler LLP</u>
Authorized to Provide Professional Services to:	<u>Debtors</u>
Date of Retention:	<u>August 23, 2023, <i>nunc pro tunc</i> to July 14, 2023</u>
Period for which compensation and reimbursement is sought:	<u>September 1, 2023 through September 30, 2023</u>
Amount of Compensation sought as actual, reasonable and necessary legal services rendered:	<u>\$121,245.50</u>
Amount of Expense Reimbursement sought as actual, reasonable and necessary:	<u>\$633.03</u>
This is a(n):	<u>X</u> monthly <u> </u> interim <u> </u> final application
Prior Applications Filed: First Monthly Fee Application (D.I. 107)	

¹ The last four digits of the Debtors' federal tax identification numbers are 1199 (ONH AFC CS Investors LLC) and 6326 (ONH 1601 CS Investors LLC). The Debtors' mailing address is 3445 Peachtree Road, Suite 1225, Atlanta, GA 30326.

**SUMMARY OF BILLING BY PROFESSIONAL
SEPTEMBER 1, 2023 THROUGH SEPTEMBER 30, 2023²**

Name of Professional	Date of Bar Admission	Position with the Applicant	Hourly Billing Rate³	Total Billed Hours	Total Compensation
Christopher J. Carolan	2000	Partner	\$1,145.00	1.70	\$1,946.50
Michael M. Iannuzzi	2009	Partner	\$845.00	1.80	\$1,521.00
Andrew V. Layden	2010	Partner	\$570.00	1.60	\$912.00
Jorian L. Rose	1997	Partner	\$950.00	82.10	\$77,995.00
Elizabeth A. Smith	1985	Partner	\$1,435.00	2.30	\$3,300.50
Brian F. Allen	2005	Counsel	\$1,145.00	1.60	\$1,832.00
Michael A. Sabella	2009	Counsel	\$875.00	3.80	\$3,325.00
David A. Corrigan	2020	Associate	\$400.00	0.50	\$200.00
Danielle L. Merola	2015	Associate	\$530.00	47.10	\$24,963.00
Melissa A. Vander Weide	N/A	Paralegal	\$345.00	11.00	\$3,795.00
Michael H. McDonald	N/A	Litigation Project Manager	\$310.00	1.00	\$310.00
Adrian Stone	N/A	Litigation Analyst	\$395.00	2.90	\$1,145.50
TOTAL INCURRED				157.40	\$121,245.50
TOTAL REQUESTED (80%)					\$96,996.40
				Blended Rate: \$770.30	

² A majority of the services provided benefitted both Debtors and are included under one set of client invoices. Baker has divided the time amongst both Debtors in the exhibits included with this Application. To the extent the service was rendered to a single Debtor, those fees will be included in the exhibit for that Debtor only.

³ The rate represents the regular hourly rate for each attorney and paraprofessional who rendered legal services. All hourly rates are adjusted by Applicant on a periodic basis (the last such adjustment occurred on January 1, 2023).

COMPENSATION BY PROJECT CATEGORY⁴
SEPTEMBER 1, 2023 THROUGH SEPTEMBER 30, 2023

ONH AFC CS INVESTORS LLC

Project Category	Total Hours	Total Fees
000002 Chapter 11 Bankruptcy	12.50	\$7,668.75
000005 Professionals	2.35	\$820.00
000006 Plan of Reorganization	6.85	\$4,670.50
000007 Claims	1.40	\$501.50
000009 Adversary Matters	37.10	\$31,865.75
000010 DIP Lending	4.75	\$3,887.00
000011 Asset Sales	13.75	\$11,209.24
Totals	78.70	\$60,622.75

⁴ The subject matter of certain time entries may be appropriate for more than one project category. In such cases, time entries generally have been included in the most appropriate category. Time entries do not appear in more than one category.

COMPENSATION BY PROJECT CATEGORY¹
SEPTEMBER 1, 2023 THROUGH SEPTEMBER 30, 2023

ONH 1601 CS INVESTORS LLC

Project Category	Total Hours	Total Fees
000002 Chapter 11 Bankruptcy	12.50	\$7,668.75
000005 Professionals	2.35	\$820.00
000006 Plan of Reorganization	6.85	\$4,670.50
000007 Claims	1.40	\$501.50
000009 Adversary Matters	37.10	\$31,865.75
000010 DIP Lending	4.75	\$3,887.00
000011 Asset Sales	13.75	\$11,209.24
Totals	78.70	\$60,622.75

¹ The subject matter of certain time entries may be appropriate for more than one project category. In such cases, time entries generally have been included in the most appropriate category. Time entries do not appear in more than one category.

EXPENSE SUMMARY
SEPTEMBER 1, 2023 THROUGH SEPTEMBER 30, 2023

ONH AFC CS INVESTORS LLC

Expense Category	Amount
Westlaw Research	\$13.015
Lexis Research	\$303.50
Total:	\$316.515

EXPENSE SUMMARY
SEPTEMBER 1, 2023 THROUGH SEPTEMBER 30, 2023

ONH 1601 CS INVESTORS LLC

Expense Category	Amount
Westlaw Research	\$13.015
Lexis Research	\$303.50
Total:	\$316.515

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**THIRD MONTHLY APPLICATION OF BAKER & HOSTETLER LLP,
COUNSEL FOR THE DEBTORS, FOR ALLOWANCE OF
COMPENSATION AND REIMBURSEMENT OF EXPENSES
FOR THE PERIOD OF SEPTEMBER 1, 2023 THROUGH SEPTEMBER 30, 2023**

Baker & Hostetler LLP (“B&H”), counsel to ONH AFC CS Investors LLC and ONH 1601 CS Investors LLC, the debtors in the above-captioned chapter 11 cases (collectively, the “Debtors”), submits its third monthly fee application (the “Application”), pursuant to sections 330 and 331 of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), Rule 2016(a) of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), Rule 2016-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), and the *Order Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals* [D.I. 92] (the “Interim Compensation Order”), for (i) allowance of compensation for professional legal services rendered and reimbursement of actual and necessary expenses incurred for the period from September 1, 2023 through September 30, 2023 (the “Application Period”), and respectfully represents as follows:

² The last four digits of the Debtors’ federal tax identification numbers are 1199 (ONH AFC CS Investors LLC) and 6326 (ONH 1601 CS Investors LLC). The Debtors’ mailing address is 3445 Peachtree Road, Suite 1225, Atlanta, GA 30326.

JURISDICTION AND VENUE

1. This Court has jurisdiction over this Application pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(A) and (B).

2. Venue of this proceeding and this Application is proper in this District pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory predicates for the relief sought herein are sections 330 and 331 of the Bankruptcy Code. Such relief is also warranted under Bankruptcy Rule 2016(a), Local Rule 2016-2, and the Interim Compensation Order.

BACKGROUND

4. On July 14, 2023, (the “Petition Date”), the Debtors commenced the above-captioned bankruptcy cases (the “Chapter 11 Cases”) by filing voluntary petitions for relief under Chapter 11 of the Bankruptcy Code and elected to proceed under subchapter V.

5. The Debtors continue to operate their businesses as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

6. On July 17, 2023, the Office of the United States Trustee appointed David M. Klauder, Esq. as the Subchapter V Trustee [D.I. 15].

7. On August 7, 2023, the Debtors applied to the Court for an order authorizing the retention and employment of B&H as counsel to the Debtors, *nunc pro tunc* to July 14, 2023 [D.I. 70]. On August 23, 2023, the Court entered an order authorizing such retention [D.I. 89].

8. On August 23, 2023, the Court entered the Interim Compensation Order, which sets forth the procedures for interim compensation and reimbursement of expenses in these Chapter 11 Cases. Specifically, the Interim Compensation Order provides that a Retained Professional may file and serve a Monthly Fee Application on or after the tenth day of each

calendar month for which compensation is sought, each Retained Professional seeking interim allowance of its fees and expenses will file with the Court an application for interim approval and allowance of compensation for services rendered and reimbursement of expenses incurred during any preceding month. Provided that there are no objections to the Monthly Fee Application filed within twenty (20) days (or the next business day if such day is not a business day) after the service of a Monthly Fee Application, the Retained Professional may file a certificate of no objection with the Court, after which the Debtors are authorized to pay such Retained Professional eighty percent (80%) of the fees and one-hundred percent (100%) of the expenses requested in such Monthly Fee Application. If an objection is filed to the Monthly Fee Application, then the Debtors are authorized to pay 80% of the fees and 100% of the expenses not subject to objection.

RELIEF REQUESTED

9. Pursuant to the Interim Compensation Order and section 331 of the Bankruptcy Code, B&H makes this application for allowance of compensation in the amount of \$121,245.50, less a 20% holdback (in the amount \$24,249.10), for a total of \$96,996.40, for professional services rendered. This amount is derived solely from the applicable hourly billing rates of B&H's attorneys and paraprofessionals who rendered such services to the Debtors. In addition, B&H seeks reimbursement of expenses incurred during the Application Period in the amount of \$633.03.

10. Attached hereto as **Exhibit A** is a detailed itemization, by project category, of all services performed by B&H with respect to the Chapter 11 Cases during the Application Period. This detailed itemization complies with Local Rule 2016-2(d) in that each time entry contains a separate time allotment, a description of the type of activity and the subject matter of the activity,

all time is billed in increments of one-tenth of an hour, time entries are presented chronologically in categories, and all meetings or hearings are individually identified.

11. The attorneys and paraprofessionals who rendered services related to each category are identified in **Exhibit A**, along with the number of hours for each individual and the total compensation sought for each category. All services for which B&H requests compensation were performed for or on behalf of the Debtors.

12. B&H incurred out-of-pocket expenses during the Application Period in the amount of \$633.03. Attached hereto as **Exhibit A** is a description of the expenses actually incurred by B&H in the performance of services rendered as counsel to the Debtors. The expenses are broken down into categories of charges, which may include, among other things, the following charges: photocopying, postage, telephonic appearances, messenger service, transcripts, computerized legal research, and filing fees.

13. In accordance with section 330 of the Bankruptcy Code, B&H seeks reimbursement only for the actual cost of such expenses to B&H. B&H submits that the expenses incurred were customary and necessary.

VALUATION OF SERVICES

14. Attorneys and paraprofessionals of B&H have expended a total of 238.10 hours in connection with this matter during the Application Period.

15. The amount of time spent by each of the professionals providing services to the Debtors for the Application Period is set forth in **Exhibit A**. The rates are B&H's normal hourly rates of compensation for work of this nature. The reasonable value of the services rendered by B&H for the Application Period as counsel for the Debtors in the Chapter 11 Cases is \$121,245.50.

16. B&H believes that the time entries and the expense breakdown, included in **Exhibit A** attached hereto, are in compliance with the requirements of Local Rule 2016-2.

17. In accordance with the factors enumerated in section 330 of the Bankruptcy Code, the amount requested is fair and reasonable given (a) the complexity of these cases, (b) the time expended, (c) the nature and extent of the services rendered, (d) the value of such services, and (e) the costs of comparable services other than in a case under this title.

CERTIFICATE OF COMPLIANCE AND WAIVER

18. The undersigned representative of B&H certifies that he has reviewed the requirements of Local Rule 2016-2 and that the Application substantially complies with that Local Rule. To the extent that the Application does not comply in all respects with the requirements of Local Rule 2016-2, B&H believes that such deviations are not material and respectfully requests that any such requirements be waived.

NOTICE

19. Pursuant to the Interim Compensation Order, this Application is being served on: (a) counsel to the Debtors, (b) the U.S. Trustee, (c) the Subchapter V Trustee, (d) the Debtors' DIP Lender, and (e) all parties that have requested notice pursuant to Local Rule 2002-1. The Applicant submits that no other or further notice need be provided.

WHEREFORE, Baker & Hostetler LLP respectfully requests the Court enter an order: (i) granting the Application and authorizing (a) allowance of compensation in the amount of \$96,996.40 (80% of \$121,245.50) for professional services rendered, and (b) reimbursement of actual and necessary costs in the amount of \$633.03 incurred during the Application Period; (ii) directing the payment by the Debtors of the foregoing amounts; and (iii) granting such other and further relief as the Court deems just and proper.

Dated: October 13, 2023

BAKER & HOSTETLER LLP

/s/ Jorian L. Rose

Jorian L. Rose (admitted *pro hac vice*)

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